

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

HB 765 – SB 761

March 27, 2017

SUMMARY OF BILL: Creates an account in the state General Fund to be known as the First Responder Estate Assistance Fund (FREAF) for the purpose of providing death benefits to the estate of any first responder from a local emergency management agency who is killed in the line of duty equal to \$25,000 after the receipt of a certified death certificate by the Department of Finance and Administration (F&A) and an affidavit from the decedent's employer that the decedent was killed in the line of duty. Authorizes private donations to be made to the FREAF for the purpose of paying such death benefits.

Requires \$150,000 to be appropriated from the General Fund to the FREAF in FY17-18 and \$25,000 to be appropriated in subsequent years provided that no additional appropriations shall be made in any fiscal year which would cause total funding in the FREAF, excluding any donations, to equal or exceed \$250,000.

ESTIMATED FISCAL IMPACT:

Increase State Revenue –

\$150,000/FY17-18/First Responder Estate Assistance Fund

**\$25,000/FY18-19 and Subsequent Years/First Responder Estate
Assistance Fund**

Increase State Expenditures –

\$150,000/FY17-18/General Fund

\$25,000/FY18-19 and Subsequent Years/General Fund

**\$25,000/FY17-18 and Subsequent Years/First Responder Estate
Assistance Fund**

Assumptions:

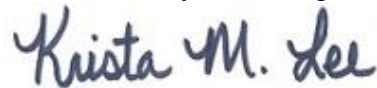
- Currently, death benefits are provided to the estates of firefighters, volunteer rescue squad workers, and law enforcement personnel who are killed in the line of duty.
- The current state budget includes recurring death benefit funding for four law enforcement officers totaling \$100,000 (4 officers x \$25,000), and for two firefighters and one rescue squad worker totaling \$75,000 [(2 firefighters + 1 rescue squad worker) x \$25,000], for a total of \$175,000. Currently, any unused funding reverts back to the General Fund at the end of each fiscal year.

HB 765 – SB 761

- Based on information from the Tennessee Emergency Management Agency (TEMA), the most recent known death of a local emergency management agency first responder occurred in 2010.
- Due to unknown factors, such as the number of first responder deaths that will occur in the future and the extent of any private donations to the FREAF, it is reasonably estimated that a \$25,000 appropriation from the General Fund to the FREAF will be required annually, after the required initial appropriation of \$150,000, for death benefit funding for first responders of local emergency management agencies killed in the line of duty.
- Pursuant to the appropriation requirements of the legislation, the increase in state expenditures from the General Fund to the FREAF is estimated to be \$150,000 in FY17-18, and is estimated to be \$25,000 in FY18-19 and subsequent years.
- Pursuant to the provisions of the legislation, funding in the FREAF will not revert to the General Fund. As a result, funding may accumulate in the FREAF depending on the extent of death benefits paid from the FREAF. The extent and timing of any expenditure made from the FREAF are dependent upon the unknown number of first responders that will be killed in the line of duty in the future and the timing of such first responder's deaths. As a result, the extent and timing of payments from the FREAF cannot be specifically determined. However, it is reasonable that death benefits will be paid from the FREAF for at least one first responder killed in the line of duty each year; therefore, a recurring increase in state expenditures from the FREAF estimated to exceed \$25,000.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.



Krista M. Lee, Executive Director

/dwl